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“Helping Indonesia to Grow”

**AMARTA**  
**Annual Report of Project Activities and Achievements**  
**2007**

## **Project Management**

### **Monitoring and Evaluation**

The following progress was made against the nine indicators that have been approved by USAID:

<b><i>1. Number of additional hectares under improved technologies or management practices</i></b>
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In 2007, AMARTA added **5,352 hectares** under improved technologies through implementation of value chain interventions.

<b><i>2. Number of producer organizations, water users associations, trade and business associations, and community-based organizations (CBOs) receiving USG assistance</i></b>
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In 2007, AMARTA assisted **159 associations** and farmer groups through implementation of value chain interventions.

<b><i>3. Number of agriculture related firms benefiting directly from USG supported interventions</i></b>
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In 2007, AMARTA implemented activities in new partnership with **7 agriculture firms**.

<b><i>4. Number of individuals who have received USG supported short term agricultural sector productivity training</i></b>
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AMARTA conducts training programs to provide knowledge on best agricultural practices in an effort to improve local farmer's harvesting capacity and to meet international standards. In 2007, **11,636 farmers (9,890 men (85%) and 1,746 women (15%)** participated in agribusiness trainings.

The training has resulted in improved overall yields and post harvest handling practices, increased quality, and increased sales for farmers as illustrated in many sections of this report.

<b><i>5. Percent change in value of international exports of targeted agricultural commodities as a result of USG assistance</i></b>
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International exports will be calculated next year based on annual increases.

<b><i>6. Percent change in value of purchases from smallholders of targeted commodities as a result of USG assistance</i></b>
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Value of purchases from smallholders will be calculated next year based on annual increases.

<b><i>7. Number of new technologies or management practices made available for transfer as a result of USG assistance</i></b>
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In 2007, AMARTA activities have introduced **10 new technologies** or management practices available for transfer to farmers.

**8. Number of additional surveillance and/or control systems in place for agricultural threats**

Surveillance technologies will be introduced in 2008.

**9. Number of public private partnerships formed as a result of USG assistance**

In 2007, AMARTA established **9 public private partnerships** to enhance agribusiness interventions.

**AMARTA Grants Program**

The following grants were awarded in 2007:

- Developing a Sustainable Supply Chain for Fermented Cocoa in Bali- awarded July 12, 2007; \$76,000
- Improving Productivity, Quality, and Marketing of Gayo Mountain Coffee in Aceh- awarded July 23, 2007; \$90,000
- Interventions for Improving the Specialty Coffee Industry in Flores, NTT- awarded September 13, 2007; \$92,000
- Bio Fuels Pilot Project, in Flores, NTT- awarded October 11, 2007; \$31,300
- Support of Fishery Value Chain in Kokonao, Papua- awarded November 7, 2007; \$95,000
- Support to the Grouper Value Chain-Village based Net Cages in Flores, NTT- awarded November 16, 2007; \$81,386
- Improving Bali Beef Cattle Production in Kupang- awarded November 16, 2007; \$95,000
- Support to the Grouper Value Chain in Flores- Nursery Rehabilitation- awarded December 5, 2007; \$94,000 and second award December 20, 2007; \$55,000

The AMARTA Grants Management Specialist, Muhammed Ridwan, was hired and began work on June 1, 2007. He is based at the Jakarta office and is responsible for management of the AMARTA Grants Program. AMARTA received approval of the Grants Manual from USAID on June 18, 2007.

## **Administrative Activities**

### **AMARTA Jakarta Office Opening**

On December 21, 2006, AMARTA inaugurated the Jakarta Office at the BRI II building 28<sup>th</sup> floor on Sudirman. Attendees at the event included: USAID; Dr. Ahmad Dimiyati, Director General of Horticulture; Sri Purwati, Directorate General of Processing and Marketing for Agricultural Products; State Secretariat members; Tahim Sudayanto, Director of ICASEPS; and Delima Azhari from the Ministry of Agriculture.

### **Identification and Opening of Regional Offices**

The Medan field office was opened on January 10<sup>th</sup>, 2007, while the Denpasar field office opened on February 15<sup>th</sup>, 2007. Mr. Henry Harmon, Senior Industry Advisor, will be based at the Denpasar office with Mr. Heru Walojo, the ACS/Food Technology specialist. AMARTA opened a third regional office in Makassar on April 1<sup>st</sup>, 2007. Two Agribusiness Competitiveness Training Specialists, Hasrun Hafid and Lengkang, were hired in March 2007. They will be based in the Makassar office with a long-term Senior Commodity Advisor, Simon Badcock.

### **Presentation of AMARTA overview to Bappenas**

On March 21<sup>st</sup>, 2007 AMARTA presented work activities and project progress to Bappenas, the National Development Planning Agency of Indonesia. The meeting was hosted by Mr. Seno Aji, Deputy for Economics and co-signer of the AMARTA Government Agreement, and attended by other Bappenas officials who oversee the project.

### **Performance of Value Chain Assessments**

The following value chain assessments were conducted by AMARTA consultants in 2007:

- Mr. Merle Menegay, Fresh Vegetable Horticulture
- Ms. Anne Ottaway, Coffee
- Ms. Merrilene Peramune, Rubber
- Mr. Brian K. Matlick and Simon Badcock, Cocoa
- Mr. Greg Sullivan, Beef Livestock
- Mr. Henry Winogrand, Fresh Fruit Horticulture and Cut Flowers
- Mr. Robert Capstick, Bio-Fuels
- Jim Gingerich, Regional Agribusiness Competitiveness Alliances Consultancy
- Jim Gingerich, Policy and Macro Issues
- David Neven, Retail Produce Distribution
- Ingrid Ardjosoediro, Aquaculture/Mariculture/Fisheries

Each consultant submitted a final report detailing the findings of the value chain assessment, including recommendations for AMARTA interventions.

### **National and Regional Conferences for Value Chain Assessments**

National and regional level workshops were held to present findings of the value chain assessments and determine future strategies. The national workshop “Agribusiness Value Chains: Assessments Recommendations and Proposed Interventions” was held in Jakarta on March 8<sup>th</sup>, 2007. A total of 91 participants attended, including government officials and members of the private sector. Mr. Rafael Jabba, Cognizant Technical Officer (CTO), Economic Growth Office USAID-Indonesia gave the keynote address.

The regional workshop “Agribusiness Value Chains: Assessments Recommendations and Proposed Interventions in Eastern Indonesia” was held in Jimboran, Bali on March 23<sup>rd</sup>, 2007. A total of 71 participants attended. Mr. John Pennell, Director, Economic Growth Office USAID-Indonesia gave the keynote address. Dr. Dimiyati, Director General of Horticulture was a featured speaker at both the national conference in Jakarta and the regional workshop in Bali. The final two regional workshops to present the AMARTA Value Chain Assessment results were held in Medan on April 19<sup>th</sup>, and in Makassar on May 30<sup>th</sup>. A total of 293 people attended the Medan workshop, including 33 women; stakeholders included producer associations and cooperatives, private sector agribusinesses, government agencies and non-governmental organizations. The keynote address was delivered by Mr. Sean Stein, U.S. Consul from the U.S. Consulate Office, Medan, Sumatera. A total of 155 people attended the Makassar workshop, including 20 women; stakeholders included producer associations and cooperatives, private sector agribusinesses, government agencies and non-governmental organizations. The keynote address was delivered by Mr. Rafael Jabba, USAID CTO.

### **Assessment of Agribusiness Value Chains Interventions in Papua**

From June 10<sup>th</sup>– 15<sup>th</sup>, 2007, AMARTA and USAID visited Papua to assess opportunities for agribusiness value chain interventions in cooperation with PT Freeport. Participants in the assessment from AMARTA included David Anderson, COP; Simon Badcock, cocoa specialist consultant; Jeff Gucker, horticulture specialist consultant; Franz Goetz, aquaculture specialist consultant, and Kornel Gartner, coffee specialist consultant. Participants from USAID included Rafael Jabba, USAID CTO, and Robert Cunnane, USAID Deputy Mission Director.

### **Advocacy for Improved Enabling Environment**

The first Regional Agribusiness Competitiveness Alliance (RACA) meeting was held on April 18<sup>th</sup>, 2007 in Berastagi, North Sumatera. The purpose of the RACA meetings is to coordinate relationships between buyers and suppliers, and to implement actions necessary to improve productivity involving the whole range of value chain participants, from input suppliers to banks to food safety specialists to importers. The RACA is also a forum to discuss institutional and policy and regulatory issues related to productivity enhancement. Attendees at the first RACA meeting included farmers, the Director

General of Horticulture, Bappeda, private sector producers and processors, representatives of producer organizations and associations, and USAID.

AMARTA met with the Secretary of Karo Regency, North Sumatera Development Planning Board, North Sumatera Industry and Trade Service to discuss possible collaboration in following up on issues raised at the Berastagi RACA. The Secretary repeated that Karo Regency is ready to collaborate with AMARTA, including participation in future RACA meetings. The officials from the planning board, as well as the industry and trade service offered to collaborate on the Merek STA activation and Karo highland horticulture development through the inter-agency Agropolitan Forum. AMARTA was also invited to attend the regular Agropolitan Technical Team meetings as well as the regional meetings.

### **Public – Private Dialogue on Dry-Land Agriculture Development in Tabanan Regency – Bali Regional Agribusiness Competitiveness Alliance (RACA)**

As a first step toward establishing a RACA in Bali, AMARTA organized a workshop on October 10<sup>th</sup>, 2007 in collaboration with the Farmer's Group Association of Tabanan (SAA) and the Government of Tabanan Regency. The 156 participants included farmers, representatives from farmer's groups and producer associations, agribusiness firms, and government officials- including the Directorate General of Horticulture, and Directorate General of Processing and Marketing of Agricultural Products, as well as a representative from USAID Jakarta. The participants identified major competitiveness and policy issues in the area of cocoa, coffee, and horticulture production and marketing, and concluded by emphasizing the need for continuing collaboration and follow-up action.

### **Empowering the Karo RACA**

On December 22<sup>nd</sup>, 2007 a meeting at AMARTA's Kabanjahe Office occurred with the four organizational committees of the Karo RACA who agreed to form a coordinating board with elected personnel to develop a Work Plan for 2008. Among other assistance provided, AMARTA was asked to help increase the capacity of the personnel through training on proposal writing and policy advocacy. AMARTA was also asked to prepare a "policy white paper" in early 2008.

### **Establishment of the National Horticulture Board**

In collaboration with Directorate General of Horticulture, AMARTA sponsored a national meeting of the horticulture business associations in Jakarta from December 12<sup>th</sup>-13<sup>th</sup>, 2007. The 157 participants, including representatives of business organizations, academics, and government officials from various provinces of Indonesia, agreed to establish a National Horticulture Board as a union of the national horticulture stakeholders to voice and advocate their common interests.

## **Aquaculture**

### **Grouper Nursery and Grow Out Development in Loh Mbongi, Flores**

A new boat will be provided to grantee PT Karamba in Flores. A manufacturer has been identified in Labuan Bajo to build the nursery tanks based on required specifications. In addition, several grouper brood stocks have been purchased from Gondol, Bali with assistance from AMARTA, and a total of 40 grouper brood stocks have been collected and kept in PT Karamba's hatchery and nursery area. Nursery tanks have been purchased and rehabilitation began in December 2007.

AMARTA and PT Karamba staff attended a workshop on the "Development of Better Management Practices for Marine Finfish Aquaculture in the Asia Pacific Region" in Lampung from November 7<sup>th</sup>-10<sup>th</sup>, 2007. Some best aquaculture practices and reliable aquaculture sources for supplies and materials were identified at the event.

### **Village Based Net Cage Pilot Program in Warloka Village**

A socialization meeting was conducted in Warloka Village on Dec 7<sup>th</sup>, 2007. A group of fishermen was identified and will be assigned to grouper grow out cages. Grow out training for Warloka villagers is being conducted at the PT Karamba facility in Loh Mbongi. Training began on August 1<sup>st</sup>, 2007 and is scheduled to end January 14<sup>th</sup>, 2008.

The cages have been placed in front of Warloka Village and 1,500 grouper fingerlings were acclimating in the Loh Mbongi nursery and were transferred into the net cage in late December. Cages are in good condition and will be equipped with a small generator with lights to avoid any damage by boat traffic in the area. Grouper stocking for the grow out pilot program in Warloka fishing village has been started and scheduled to be completed by the first quarter of 2008.

### **Black Tiger Shrimp Hatchery Company Established**

On November 12<sup>th</sup>, PT Aceh Windu Lestari was formally established with AMARTA support. The objective of the company is to revitalize the black tiger shrimp industry, a species native to Aceh. Shares in the company were issued in exchange for capital. Shareholders currently consist of hatchery owners, shrimp farmers, traders and other stakeholders. AMARTA will provide assistance to the company by providing training, technical assistance, and equipment to ensure the post larvae sold to shrimp farmers are pathogen free, however the eventual goal is for the company to operate profitably as a commercial entity.

## **Livestock**

### **Improving Production of Bali Cattle in West Timor**

The grant to Puskud NTT Cooperative to fund a "contract farming" cattle breeding program has been awarded. The implementation of the project will involve farmer members of the cooperative in Kupang District, West Timor. AMARTA will provide 300

female beef cattle in February 2008. The intention of the project is to ensure the 300 cows provide offspring for the participating farmers to nurture and ultimately sell as the activities become self sufficient and expand as new calves are born and reared.

## **Biofuels**

### **Biofuel Production in Flores**

On December 18<sup>th</sup>, 2007 initial biofuel machines were shipped to Ruteng, Flores while AMARTA's grantee, PT Lion Lestari, has created jatropha seedling nurseries in the villages of Satar Mese and Uluwae. 137,500 seedlings were planted at each location. Many of the seeds have germinated and the seedlings are being distributed to farmers.

To allow households in these villages to reduce kerosene use, a simple floating oil lamp that burns jatropha oil has been identified. In addition, Bosch Siemens has agreed to contribute two cooking stoves which can burn jatropha oil. These stoves will be available for field testing in January 2008. AMARTA has also identified a local company, Tracon, which produces a stove that claims to function on plant oil. The program also plans to field test this stove model.

## **Cocoa**

### **Signing of MOU between USAID/AMARTA, Olam Indonesia, and Blommer**

On February 14, 2007 a Memorandum of Understanding (MoU) was signed to initiate a market driven cocoa farmer training program involving the establishment of 21 upcountry cocoa buying stations in Sulawesi, for direct purchase of smallholder cocoa beans for export to Blommer Chocolate Co, the biggest cocoa processor in North America, paying quality incentives to farmers for larger, drier, and cleaner beans. USAID's Mission Director Bill Freij attended the event along with other USAID representatives.

### **Cocoa Training Program in Sulawesi**

The Cocoa Training Program in Sulawesi continued as AMARTA identified, selected, and recruited farmer trainers for the smallholder cocoa program. On April 17<sup>th</sup> through 22<sup>nd</sup> a training of trainers was held in Pinrang, South Sulawesi to train these personnel who will implement the program to train up to 20,000 cocoa farmers in Sulawesi. A total of 36 people attended the training exercise with 12 AMARTA farmer trainers, four AMARTA field coordinators, six staff from PT Olam's Corporate Social Responsibility Program, five Olam staff linked with management and quality, two staff from the Indonesian Agency for Transfer of Agricultural Technology, one ICCRI representative, and six staff and private sector partners from the AMARTA Bali Cocoa Program. The training program provided participants with an intensive overview of topics in classroom and field settings. The training of trainers program enables participants to conduct focus group discussions, participatory learning exercises linked with best practice cocoa cultivation, post-harvest handling, quality and methodological aspects of the AMARTA program.



AMARTA worked with program partners Olam and Blommer to develop a socialization brochure for the Cocoa Training Program, which will be distributed to farmers who will be trained under the program. Also, the production of a series of VCDs was nearly completed, covering the techniques that will be introduced to cocoa farmers in Sulawesi. The VCDs will form an integral part of AMARTA's training program. On June 28<sup>th</sup> -29<sup>th</sup>, AMARTA held a viewing of the cocoa training video for a selected audience at the Indonesia Cocoa Conference in Bali.

### **AMARTA Sulawesi Kakao Alliance Smallholder Cocoa Basic Training Cycle I South Sulawesi**

In South Sulawesi, 70 farmer's groups (FGs) are currently enrolled in ASKA training activities. These groups are a mix of formal and informal FGs with approximately 1,750 participants enrolled in training. ASKA training is currently concentrated in four districts: Luwu, North Luwu, Palopo, and Pinrang. Basic training activities occur in 16 sub-districts including: Sukamaju, Baebunta, Malangke, Malangke Barat, Suli Barat, Suli, Ponrang, Bajo, Bajo Barat, Tellu Wanua, Wara Timur, Lamasi, Lembang, Duampanua, Batulappa, and Patampanua. Training includes the following topics: frequent harvesting and sorting of beans, opening cocoa pods and drying beans, pest and disease identification, and general management. The final session facilitated a visit to PT Olam's buying stations where farmers were able to build on their knowledge of export quality requirements, understand the transaction process (weighing, sampling, and grading cocoa beans), as well as providing an opportunity to improve the relationship between both parties.

### **ASKA Smallholder Cocoa Basic Training Cycle I Southeast Sulawesi**

In Southeast Sulawesi, 50 FGs are currently enrolled in the ASKA smallholder training program. These groups are a mix of formal and informal FGs with a total of 1,250 enrolled farmers. ASKA training activities are taking place in Kolaka District (Latambaga Sub-district, Samaturu Sub-district, and Wolo) and North Kolaka District (Wawo and Ranteang Sub-districts). Activities also include frequent harvesting and sanitation, pest and disease identification, and general management. The final session, once again, included a visit to PT Olam buying stations.

### **Commencement of AMARTA Sulawesi Kakao Alliance Smallholder Cocoa Basic Training Cycle II**

In December 2007, the ASKA program recruited additional personnel including a farmer coordinator and 25 farmer trainers. The second cycle of basic training for the ASKA program continues to build on the first cycle that was completed in December with a target of 350 farmer groups equating to 8,750 farmers. In response to the closure of functional Olam buying stations in Luwu, AMARTA and Olam collectively decided to reduce the training presence in South Sulawesi. The second cycle of training has expanded to include a new province (West Sulawesi) wherein following a lengthy period of evaluation by Olam it was recommended that the ASKA program work with a local trader, UD Tunas Jaya which has a series of buying stations throughout West Sulawesi spanning Mamuju and Polman Districts. AMARTA personnel then conducted a series of

visits, evaluated the buying stations, equipment, personnel, philosophy, approach and farmer perception of UD Tunas Jaya. The month of December also saw the completion of the identification of farmer's groups and beginning socialization process for the ASKA training activity across the three Sulawesi provinces with a total of 9,062 farmers in attendance. Similar to the first ASKA basic training cycle the next six months will provide participating farmers with a variety of on-farm and off-farm training.

### **ASKA Smallholder Cocoa Basic Training Cycle II South Sulawesi**

In South Sulawesi a total of 80 FGs or 2,000 farmers have been targeted for assistance in this second cycle of the ASKA basic training program. In South Sulawesi ASKA Cycle II training activities covered the two districts of Pinrang and North Luwu. In Pinrang, ASKA Cycle II training is occurring in a number of Sub-districts including: Dumapanua and Patampanua. In North Luwu, ASKA Cycle II included: Sukamaju Sub-district, Mappideceng, Masamba, and Sabbang Sub-districts. The socialization training activity conducted in December saw attendance of 2,052 males and 255 females (11%). Socialization of the ASKA program in South Sulawesi was attended by 2,307 people during this first training session.

### **ASKA Smallholder Cocoa Basic Training Cycle II Southeast Sulawesi**

In Southeast Sulawesi a total of 120 FGs or 3,000 farmers have been targeted for assistance covering the two districts of Kolaka and North Kolaka. In Kolaka, ASKA Cycle II training occurred in: Wolo, Samaturu, Latambaga, Wundulako and Baula Sub-districts. In North Kolaka, ASKA Cycle II included: Wawo, Rante Anging, Lambai, Lasusua, Ngapa, and Pakue Sub-districts. The socialization training activity conducted in December saw the attendance of 3,013 males and 461 females (13%). Socialization in Southeast Sulawesi included 3,474 people attending this first training session.

### **ASKA Smallholder Cocoa Basic Training Cycle II West Sulawesi**

In West Sulawesi a total of 120 FGs or 3,000 farmers have been targeted for assistance in the second cycle. In West Sulawesi two districts are included in the ASKA program: Polman and Mamuju. In Polman, ASKA training is being conducted in: Anreapi, Mappilli, Binuang, Luyo, Bulu, and Tappango Sub-districts. In Mamuju, training is occurring in: Tommo, Panggale, Sampanga, and Tappalang Sub-districts. The socialization training activity completed in December 2007 saw the attendance of 2,899 males and 382 females (12%). Thus, the socialization of the ASKA program in Southeast Sulawesi saw attendance of 3,281 people.

### **Cocoa Training-of-Trainers (ASKA and SKA Programs)**

A third ASKA trainer of trainers was conducted in Polman District, West Sulawesi between October 20<sup>th</sup> and 27<sup>th</sup> on theoretical and practical training for the new farmer trainers. This was in response to the delay in resolving outstanding issues with district and provincial estate crops officers in executing the MoU with the Directorate General of Estate Crops. A total of 30 people were trained with invitees from South Sulawesi (6), West Sulawesi (11) Southeast Sulawesi (10), and Bali (2) with attendance and support from the Polman District Estate Crop Office. Farmer trainers were trained in a range of

topics linked with the basic training activities of the ASKA program, including: technical aspects, implementation, reporting, management and financial guidelines and practices.

### **Solar Dryer Construction at Buying Stations in Southeast Sulawesi**

As a continuation of the support for improved post-harvest handling practices solar dryers were constructed. Farmer representatives attended the construction, enabling a discussion of drying, how quality is linked to on-farm and off-farm activities, as well as further dialogue between PT Olam and farmer participants. In November, two larger solar dryer units (4x6m) were constructed at the PT Olam buying stations located in Wolo and Lambai. The Wolo solar dryer was constructed on November 12<sup>th</sup> with a total of 36 participants who attended the training session including farmer representatives, local extension officials and Olam personnel. The second solar dryer in Lambai was constructed on the November 17<sup>th</sup> with attendance by 45 people. Preparations and budgets are being prepared for the construction of solar dryers at the remaining Olam buying stations (Lapai, Pinrang, Masamba) as well as at Tunas Jaya buying stations throughout West Sulawesi. In addition to the larger solar dryers, five small individual units (2x3m) were constructed in collaboration with local farmers in and around existing buying stations. The aim of this will be to demonstrate to smallholder farmers the benefit of individual small scale solar dryers.

### **Sustainindonesia Kakao Alliance (SKA) Smallholder Training in Bali**

Following the decision not to proceed with Bali Estate Crops personnel as basic trainers, three more farmer trainer candidates were identified and then trained in the third training of trainers in Sulawesi. A total of 40 farmer's groups totaling 1,000 farmers have been selected from Tabanan and Jembrana Districts with preliminary socialization and meetings completed in November. The Makassar Office has submitted all technical materials to the Bali regional office and private sector partner, PT Bening Big Tree Farms, for consideration with specialized topics on organic farming and fermentation to be reviewed. *Pro forma* budgets for basic training, follow-up training, and other activities have been submitted .

The first cycle of SKA Basic Training has started and is expected to be completed in February 2008 with 12 training modules. Socialization training and the first module on pruning was completed with 2,445 male participants and 177 (7%) female farmers.

The first AMARTA solar dryer was built in Bali with partner PT Bening Big Tree Farms on the June 26<sup>th</sup>. This event provided an innovative platform for the first training session that will enable others to transfer skills and knowledge to other farmers.

### **Developing a Sustainable Supply Chain for Fermented Cocoa in Bali**

The construction of the Central Cocoa Processing Unit (CCPU) was completed in late September and officially opened on October 19<sup>th</sup>, 2007 by the Head of Mekayu Sub-district, Rafael Jabba from USAID, David Anderson, AMARTA COP, and Ben Ripple from Big Tree Farms. Following the opening, three days of fermentation training was conducted

by Ms. Smilja Lambert from MARS. The training was attended by 22 male participants and 3 female participants.

### **AMARTA Participation in National and Regional Agribusiness Exhibitions**

AMARTA participated at a National Agribusiness Plant Protection exhibition organized by the Department of Agriculture at the Cereal Research Institute, Maros from November 26<sup>th</sup>-28<sup>th</sup>, 2007. The Indonesian Minister of Agriculture attended the exhibition where he was able to visit and learn more about AMARTA activities. Comments and feedback from a range of stakeholders was positive on AMARTA initiatives and program activities-interest was also high regarding AMARTA Smallholder Cocoa Films, which were being screened throughout the exhibition. AMARTA was invited to a second regional Agribusiness exhibition by the North Luwu Estates Crops Agency and subsequently on December 6<sup>th</sup>, 2007 AMARTA participated in the regional exhibition with smallholder cocoa producers and other stakeholders.

### **AMARTA Smallholder Cocoa Series DVD Launch**

On November 29<sup>th</sup>, AMARTA launched its smallholder cocoa series at the Clarion Hotel, Makassar. A total of 100 participants attended. Key speakers were Rafael Jabba from USAID, Tracey Duffey from the World Cocoa Foundation, Mr. Rizky Muis- Director of Beverage and Spice Crops, and David Anderson and Simon Badcock from AMARTA. A broad variety of government, NGO, donors, University and private sector stakeholders were invited to the launch. At the end of the event, David Anderson announced that the films were available for use by interested parties. Permission is sought with details outlining where, how, and for whom the films may be used. To date a number of agencies have formally applied for permission to use the films in training activities including: the Directorate General of Estate Crops, ACIAR-SADI (AUSAID), Cargill, FMC, and Armajaro.

### **World Cocoa Foundation visits ASKA Training**

Between November 30<sup>th</sup> and December 2<sup>nd</sup>, Tracey Duffey from the World Cocoa Foundation visited the ASKA training program in Southeast Sulawesi. Simon Badcock (AMARTA) and Vijay Karunakaran (PT Olam) facilitated the visit with Tracey attending ASKA cocoa clinics at Kolaka, Wolu, and Lambai buying stations. Additional meetings were conducted with farmer groups across these locations, including dialogue with farmer groups at ASKA cocoa study gardens, cocoa nurseries, and farmer gardens of ASKA training program participants.

### **Development and Status of Semi-Fermented Cocoa Training Program in Aceh**

From October 2<sup>nd</sup>-5<sup>th</sup>, 2007, AMARTA, in coordination with cocoa buying company Armajaro, visited Aceh cocoa producing areas to explore the viability of supporting training interventions. A variety of locations were visited throughout Aceh Province including the following districts: Pidie, Biruen, East Aceh, and North Aceh. From this field visit the need for suitable cocoa training farming was evident from discussions with stakeholders and as witnessed by cocoa cultivation in the field, which was typically poor. All aspects of farmer's understanding with respect to cocoa production were minimal

(both on-farm and off-farm). It was determined that Armajaro facilities were insufficient to support the desired access to market connection necessary for AMARTA training interventions. Since the October field visit communication with Armajaro continued throughout November and December, and Armajaro has consolidated and strengthened its presence and capacity in Biruen District with AMARTA proposing to revisit and assess the region in January 2008.

### **Visit by 11 members of US Congressional Delegation and Mr. Rafael Jabba from USAID Jakarta to Big Tree Farms Central Cocoa Processing Unit in Bali**

On December 5, 2007, Big Tree Farm's CCPU was visited by 11 members of a US congressional delegation together with AMARTA CTO, Rafael Jabba. Mr. Ben Ripple from Big Tree Farms accompanied them during the visit and explained USAID's support in building the CCPU to increase the cocoa quality through fermentation. The delegation also visited the Buana Mekar Farmer's Group, one of Big Tree Farm's partners in the cocoa fermentation program.

## **Coffee**

### **AMARTA Introduces Flores Coffee to North American Buyers**

AMARTA coffee consultant, Anne Ottaway, introduced Flores coffee to North American coffee roasters, establishing a new Indonesian origin and benefitting thousands of Flores coffee growers who improved their income based on supplying the new market.

### **Specialty Coffee in Aceh and Flores**

During 2007, AMARTA assisted two coffee exporting companies, PT Gajah Mountain Coffee in Aceh and PT Lion Lestari in Flores. These companies plan to purchase coffee from farmers' cooperatives and export it under fair trade and organic certification. Lion Lestari has registered for fair trade certification and exported one container of premium coffee. Gajah Mountain has upgraded its processing equipment and installed a cupping laboratory to test coffee before purchasing. The certification process is underway in Aceh with Gayo Mountain Cooperative.

In addition, trainings were held on the use of the Broca Trap, a technology to reduce infestation by the coffee bean borer in Sidikalang, North Sumatra and Benermeriah Takengon, Aceh, with a total of 128 farmers participating. These farmers will receive traps and attractant so they can demonstrate the effectiveness of the technology on 100 hectares at each site. The traps are expected to reduce infestation from current levels of 20% to 30%, down to less than 10%.

## **High Value Horticulture**

### **High Value Horticulture Post harvest Training**

Three two-day post harvest handling workshops were conducted in the following locations: Jakarta on November 8<sup>th</sup> and 9<sup>th</sup>; Lembang, West Java on November 12<sup>th</sup> and 13<sup>th</sup>; and Bedugul, Bali on November 15<sup>th</sup> and 16<sup>th</sup>. Attendees included growers, shippers, supermarket buyers, and other handlers including some exporters, government representatives, and researchers from institutes and universities. There were over 70 participants in Jakarta and Lembang and 50 in Bali. The program alternated between topics on the technical aspects of post harvest biology and technology and the management, organization, and quality assurance aspects of the produce business.

### **High Value Horticulture Development Program in Pancasari**

Mitra Bina Mandiri Cooperative (MBMC) has been identified as a partner for AMARTA's high value horticulture development program in Pancasari, Bali. AMARTA plans to provide three varieties of frozen strawberry planting material from California; mobile cooling storage or small stationary cooling storage with a defrosting system; and sponsoring the post harvest training, meeting, association, and other technical assistance, beginning in February 2008.

### **Training in Best Agricultural Practices for Citrus in Berastagi, Karo District**

AMARTA's activities in Kabanjahe continued as training in best agricultural practices (BAP) for citrus utilizing a training manual adapted from the Ministry of Agriculture's material focusing on Standard Operating Procedures. The training includes best practices for pruning, use of fertilizers and pesticides, and thinning. Seven trainings were completed in 2007 throughout North Sumatera.

### **Integrated Pest Management Training – Berastagi, Sumatera**

From October 10<sup>th</sup> until 15<sup>th</sup>, 2007, a training of trainers (TOT) for Integrated Pest management was conducted in collaboration with Crop Life Indonesia, a nonprofit association of eight leading pesticide and fertilizer manufacturers. The workshop was attended by 25 people: seven from Crop Life, seven from the crop protection agency of North Sumatera, seven from farmer's groups, and the remainder extension agents of the Karo District Agricultural Service Office. Recipients of this training were expected to train farmers from several sub-districts in the Karo Highlands in safe and judicious use of pesticides for cost efficient, effective results- with a particular emphasis on health concerns. Most importantly, the training will help farmers overcome the current barrier to exporting to Singapore and Malaysia due to exceeding the pesticide maximum residue limit.

From December 10<sup>th</sup> until 15<sup>th</sup>, 2007, a training of trainers (TOT) was conducted in Berastagi. Participants included seven Crop Life members including PT BASF, PT Dupont, PT Nufarm, PT Syngenta, PT Dow agro science, PT Bina Guna Kimia and PT Buyer Indonesia, seven government crop protection extension service agents, and eight farmer's group's leaders. The trainees will in-turn train farmers in 30 villages in Karo, Kabanjahe, and Berastagi Sub-districts.

### **Double Row Banana Training in Deli Serdang**

Julian Velez, a short-term technical consultant, visited Deli Serdang District, North Sumatera to supervise and direct activities in setting up demonstration plots for the double row planting system that will double current production. He also provided training on tree maintenance through pruning, de-leaving, cutting, and improving fertilizing. Five plots were completed by the end of 2007. In addition, soil was tested to identify the deficient elements. The farmer's groups overseeing the plots will be able to disseminate these improved agriculture practices and be district collectors for PT SSN banana procurement. A local branch of the Agriculture Technology Research Center (BPTP) also established a demonstration plot for double row planting as a result of AMARTA's intervention.

### **Memorandum of Understanding with the Director General of Estate Crops**

AMARTA has developed a MoU with the Director General of Estate Crops, to undertake a joint program of assistance to develop an estate crop value chain program that provides training of estate crop farmers and extension agents on good agriculture practices. The activity will improve farm productivity and quality, provide high quality seeds and planting material, and facilitates good post-harvest handling practices. In addition, the project includes facilitation for the development of value-added product diversification, such as bio-fuels, and logistics coordination related to purchasing, transportation, marketing, and exporting products in order to obtain the best value for all actors in the chain.

### **Greenhouse Assessment**

AMARTA consultant Robert Richardson conducted an assessment of the greenhouse industry in Indonesia. His assessment report, including recommendations for potential AMARTA interventions was submitted to USAID for review.

### **Transport Study**

AMARTA Consultant Philip Bulmer conducted an assessment of transport related to the agriculture sector in Medan. The report was submitted to USAID.

### **Citrus Assessment**

AMARTA consultant Jeff Gucker conducted an assessment of citrus irrigation in Barestagi, North Sumatera, to determine the feasibility of AMARTA interventions. A report was submitted and AMARTA will use it to guide planning of intervention activities.

### **Assessment of Merek Sub-Terminal Agribusiness**

In May 2007, AMARTA consultant Lisa Kitinoja completed an assessment of the Merek Sub-Terminal Agribusiness (STA) in the growing citrus area near Berastagi, and reported on recommended interventions to improve the STA. She also made recommendations for designing a pack-house and post-harvest handling procedures.

### **Interventions for Grading and Packing Houses**

David Anderson, AMARTA COP, delivered a presentation "Understanding the Role and Importance of Grading and Using a Packing House in Improving Product Quality and Marketing" on May 31<sup>st</sup>, 2007. The workshop was attended by 53 people from DGs in the Ministry of Agriculture, Offices of Agricultural Services from eight provinces and eleven regencies, and Bogor Agricultural University. The participants requested that AMARTA help activate the existing, mostly ailing, STAs and facilitate proper design of new facilities.

On June 21<sup>st</sup>, AMARTA sponsored a training for 50 people in Medan, in "Management Socialization of Farmer Markets STA/Packing Houses" for the DG of Processing and Marketing.

### **Meetings with DG of Horticulture**

On May 25<sup>th</sup>, AMARTA staff attended a meeting with the DG of Horticulture on establishing horticulture related associations. The meeting was attended by five officials from the DG of Horticulture, academics from Bogor University, Gajah Mada University and Pajajaran University. The effort was a result of the DG's requested support from AMARTA. The meeting participants agreed to help prepare the documents necessary for the establishment of the horticultural associations.

### **Natural Rubber**

#### **Rubber Training Support and Provision of Better Planting Material in South Kalimantan**

AMARTA continued working with Bridgestone South Kalimantan (BKSP). An initial training and distribution of planting materials to beneficiary farmers was completed in December. Following the meeting AMARTA and Bridgestone personnel met with approximately 30 participating farmers from the four villages of Bentok Darat, Kait-kait, Kait-kait Baru, and Martadah Baru who were attending the meeting. Also in December, AMARTA and BKSP conducted training in land preparation, planting, and rubber nursery management, and distributed 10,000 planting materials for the bud wood garden program (PB 260 and PB 330). Several outcomes were achieved as a result of the training: farmers improved grafting success from the current 50-60% to close to 98%- BSKP's level; information was provided during training helping farmers reduce rubber diseases in their nurseries; improved site selection and sourcing of budwood material for smallholder rubber seedling production; and improved use and application of fertilizers. AMARTA is currently identifying alternative markets for rubber seedling producers for which the current market price (IDR 900-1,000 per budded stump) is much lower than prices in Tabaling District where clonal rubber seedlings sell for IDR 2,600.



### **Rubber Training Support and Provision of Better Planting Material in West Kalimantan**

As of November 13<sup>th</sup>, 2007 the Sibolga Rubber Activity was cancelled. Following the cancellation of this activity an alternative rubber activity in West Kalimantan was substituted. During November and December AMARTA field staff conducted surveys and identified 147 farmers from three villages in Sanggau District, Sanggau Kapuas Sub-District who wish to participate in rubber tapping and post-harvest handling training activities. The fourth group of 50 farmers is from *Gabungan Kelompok Tani* (GAPOKTAN), who will receive training in April 2008. A proposed market partner, a crumb rubber factory Sumber Jantin, has been identified and has agreed to participate in training for farmers in marketing, quality, and post harvest handling. IRRI South Sumatera will also help farmers at the training to be able to better measure dry rubber content (DRC) at the farmer level- which is poorly understood at the current time.

### **Rubber Training Support and Provision of Better Planting Material in North Sumatera**

From October 24<sup>th</sup> through 26<sup>th</sup> at the Catholic Church Hall, Sipea-pea, Sorkam Village, Sibolga, North Sumatera and with cooperation from Bridgestone Sumatera Estate, AMARTA lobbied for the provision of 6,000 planting materials from Bridgestone for small holder rubber farmers in Sibolga, Middle Tapanuli, North Sumatera. The material was used for the nursery and demonstration plot in this area, as well as rubber training provided for 45 small holder rubber farmers, including field training regarding grafting and nursery land preparation.

### **Seaweed**

AMARTA has designed an intervention to improve production and marketing of seaweed in Gorontalo Province. Two locations have been identified: Popayato Bay, Pohuwato District, in Lemito and Anggrek Bay, Pantura District, in Kwandang. AMARTA STTA lain Neish is currently working to identify farmers and a farmer's groups or associations to participate in the activity, as well as an exporter of seaweed that is willing to work with a farmer's group to improve harvesting and post-harvest handling practices to increase the quality of seaweed production.

AMARTA is providing support for the introduction of 'new' seaweed seed stock from another location to rejuvenate existing poor quality seed stock grown at these locations. A stakeholder workshop will occur at each site and a series of test plots will be monitored at each location with nurseries established to support expanded production and access to improved seaweed seed stock for local farmers. AMARTA will recruit personnel to implement these field activities.

## **Spices**

Throughout 2007 the security situation in North Maluku remained uncertain. This has limited AMARTA's capacity to make progress with training activities and engage effectively with stakeholders on the ground. Notwithstanding this situation a number of activities have progressed. A socialization brochure for the nutmeg training program was completed and printed. The MoU developed between AMARTA and the governments of North Maluku Province and the cities of Tidore and Ternate to jointly implement an activity to train smallholder nutmeg farmers and extension agents on good agriculture practices in order to improve farm productivity, post-harvest handling, and understanding of quality associated with nutmeg was completed.

## **Floriculture**

Training in good agriculture practices for floriculture farmers was conducted in Medan on November 16<sup>th</sup>, 2007 by short-term technical consultant, Benny Tjia, in cooperation with the Department of Agriculture in Medan. The floriculture farmers in Berastagi were trained in chrysanthemum flower land preparation, cultivation, and disease and fungus prevention. Berastagi is the central production center of cut flowers in North Sumatera and Aceh. AMARTA also facilitated two floriculture farmers from Berastagi joining the floriculture workshop in Bogor on November 26<sup>th</sup> and 27<sup>th</sup>.

## **Papua Agriculture Development Alliance (PADA)**

### **Office Set-up**

In late October 2007 the location for AMARTA's Timika office was identified. The office is located in Jalan Budi Utomo 10, Timika 99910. The SLD department of Freeport is assisting AMARTA in furnishing the office and installing electricity, water supply, air conditioners, and phone and internet connection. Trifena Tinal from the Social Outreach and Local Development (SLD) department of Freeport will oversee the progress of the work on the office in coordination with Fernando Tinal, PADA Program Administrator for AMARTA in Papua. Currently, Freeport is in the process of negotiating with two local contractors to work on furnishing and installation for the office. The expected date of completion is early 2008.

### **Kokonao**

On October 22<sup>nd</sup>, 2007, PADA began working in Kokonao to build an ice factory to supply the local fishermen with ice blocks. The main aim is to help the fishermen preserve their catch until selling to an outside market. Moreover, the PADA project is constructing a facility to build fiberglass boats for fishing. A medium size five-ton transport boat will be built to transport the fish from Kokonao to Timika. Training activities will also be established for local fishermen in properly catching, raising, and harvesting soft shell crabs. Styrofoam boxes will also be granted to the local fishing cooperative by PADA.

Progress in Kokonao:

- Ice Factory: The building is 75% complete. Insulation for walls and floors is in progress. Eighty meters of access channel for small boats from the main body of water into the ice factory is also completed, as well as a small docking facility near the ice factory. The machinery for the ice factory has arrived in Timika, and is awaiting delivery to Kokonao.
- Fiberglass boats: The fiberglass boat building facility is 90% complete. The expert that will train the local fishermen to build the fiberglass canoes has been identified and he is expected to start working the first week of January.
- Transport boat: The building of a five-ton wooden transport boat was given to a local boat builder in Kokonao. The expected date of completion is January 2008. The engine for the boat, which was purchased by AMARTA, has already been delivered.
- Soft shell crab production: The building of cages to raise the crabs was completed along with a water channel where the cages will be placed.

### **Wamena**

AMARTA's PADA coffee project in Wamena began on October 22<sup>nd</sup>, 2007. The aim of the project is to set up a specialty coffee supply chain from the farmers in Baliem Valley to the international specialty coffee market. In order to meet this goal AMARTA and the coffee farmers established the Baliem Arabica Cooperative. Additional ongoing activities include: Organic and fair trade certification of the Wamena origin, creating transport and supply lines for Wamena origins, and identifying potential buyers.

#### Progress in Wamena:

- Baliem Arabica Cooperative was established and registered on November 27<sup>th</sup>, 2007. The registration number is 16/BH/KPKM/2007. The cooperative works with around 1,200 coffee farms in the Baliem Valley.
- Green coffee samples have been taken from Wamena to analyze and grade the quality at the ICCRI coffee research center in Jember, East Java. The result of the study shows that Baliem Valley Coffee meets international specialty coffee standards.
- The renovation of the specialty coffee processing facility, Okesa Jagara, is 75% completed.
- The coffee hulling machinery for the Okesa Jagara facility was delivered and will be installed the first week of January 2008.
- A 240-meter long fence was constructed around the production facility. Also, a traditional house (Honai) was built on site and is used for meetings with farmer's groups from different villages.
- Processing machinery and equipment for coffee drying and sorting were purchased and awaiting transportation from Surabaya to Timika. The expected date of arrival is January 2008.

#### **Papua Coffee Development**

David Anderson and Kornel Gartner, PADA Coordinator, met with Starbucks representatives and Senior Vice President for Coffee Mr. Dub Hay in Seattle, Washington, USA, on December 19<sup>th</sup>, 2007 in order to talk about possible cooperation between Starbucks and AMARTA to further develop Papuan coffee.

#### **Moanemani**

The specialty coffee project in Moanemani was started on October 22<sup>nd</sup>, 2007. The project is designed to produce Arabica coffee for the international specialty coffee market. In order to meet this goal, AMARTA will team up with a local cooperative, Santo Isodorus, to obtain organic and fair trade certification, create transportation and supply lines, and to identify potential buyers.

#### Progress in Moanemani:

- Socialization with the Santo Isodorus Cooperative is completed.
- Baseline study to identify whether Moanemani coffee is qualified to be certified as organic and fair trade is completed.
- A production facility in Moanemani was identified and is currently under renovation.
- A coffee huller for Moanemani was purchased and delivered to Timika and is awaiting airfreight to Moanemani by January 2008.
- Green coffee samples have been taken from Moanemani to analyze grade and quality at the ICCRI coffee research center in Jember, East Java. The result of the study shows that Moanemani coffee meets international specialty coffee standards.

## **Agimuga**

The Agimuga project is designed to create farming sustainability in the Agimuga area. The project aims to help farmers to plant rice, fruits, and vegetables to end their dependency on the distant market in Timika. In addition, AMARTA will assist the farmers to raise pigs that can be sold in Timika. To achieve this goal AMARTA will create a supply line and provide transportation.

### **Progress in Agimuga:**

- In November, AMARTA met with a local stakeholder and the Bishop of Timika to discuss and socialize the planned project.
- The local stakeholder and AMARTA are currently working together to identify the mode of transportation required for moving goods and equipment between the village to the harbor.
- Government granted rice production equipment is currently stored in Timika. AMARTA will arrange for transportation to Agimuga.
- Currently, AMARTA and local stakeholders are trying to identify the type of pigs that can be raised well in Agimuga, but at the same time meet the standard requirement of the market in Papua.

### AMARTA Progress Indicators for January 1 - December 2007

INDICATORS		Aqua culture	Natural Rubber	Cocoa	Coffee	Beef Livestock	Vegetables	Tropical Fruit & Flowers	Biofuels	Seaweed	RACA	Total
Number of additional hectares under improved technologies or management practices as a result of USG assistance	Actual 2007	-	-	4,215	-	-	-	1,137	-	-	-	5,352
	Target 2007	-	-	4,260	2,700	-	-	-	-	-	-	6,960
Number of additional units of animal, fish and other aquaculture products under improved technologies or management practices as a result of USG assistance	Actual 2007	-	-	-	-	-	-	-	-	-	-	-
	Target 2007	-	-	-	-	100	-	-	-	-	-	100
Number of producer organizations, water user associations, trade and business associations, and community-based organizations (CBOs) receiving USG assistance	Actual 2007	-	-	150	-	-	-	9	-	-	-	159
	Target 2007	-	-	160	-	-	-	14	-	-	-	174
Number of agriculture related firms benefiting directly from USG supported interventions	Actual 2007	-	-	3	-	-	-	4	-	-	-	7
	Target 2007	4	4	7	7	4	17	17	2	2	-	64
Number of individuals (men and women) who have received USG supported short-term agriculture sector productivity training	Actual 2007	-	-	10,100	-	-	957	579	-	-	-	11,636
	Target 2007	-	-	5,680	2,720	100	-	-	150	-	-	8,650
Percent change in value of international exports of targeted agricultural commodities as a result of USG assistance	Actual 2007	-	-	-	-	-	-	-	-	-	-	-
	Target 2007	-	-	-	-	-	-	-	-	-	-	-
Percent change in value of purchases from smallholders of targeted commodities as a result of USG assistance	Actual 2007	-	-	-	-	-	-	-	-	-	-	-
	Target 2007	-	-	-	-	-	-	-	-	-	-	-
Number of new technologies or management practices made available for transfer as a result of USG assistance	Actual 2007	-	-	5	-	-	-	5	-	-	-	10
	Target 2007	-	-	-	-	-	-	-	-	-	-	-
Number of additional surveillance and/or control systems in place for agricultural threats	Actual 2007	-	-	-	-	-	-	-	-	-	-	-
	Target 2007	-	-	-	-	-	-	-	-	-	-	-
Number of public-private partnerships formed as a result of USG assistance.	Actual 2007	-	-	2	2	1	-	-	-	-	4	9
	Target 2007	-	-	-	-	-	-	-	-	-	-	-